

UNIVERSITI TEKNOLOGI MARA

**EFFECT OF OIL PRICES TO THE EMERGING
STOCK MARKET IN MIDDLE EAST
(BAHRAIN, JORDAN, KUWAIT AND QATAR)**

SAFINA BINTI AHMAD

Project Paper submitted in fulfillment of the requirements for
Bachelor of Business Administration (Hons) (Finance)

Faculty of Business Management

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**A STUDY ON EFFECT OF OIL PRICE TO STOCK MARKET IN
MIDDLE EAST COUNTRIES (BAHRAIN, KUWAIT, JORDAN,
QATAR)**

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**Project Paper Submitted in Partial Fulfillment
Of the Requirement for the
Bachelor of Business Administration
(Hons) Finance**

**FACULTY OF BUSINESS MANAGEMENT
UITM, BANDARAYA MELAKA**

OCTOBER 2010

DECLARATION OF ORIGINAL WORK



**BACHELOR OF BUSINESS ADMINISTRATION
(HONS) FINANCE
FACULTY OF BUSINESS MANAGEMENT
UNIVERSITI TEKNOLOGY MARA
BANDARAYA MELAKA**

“DECLARATION OF ORIGINAL WORK”

I, SAFINA BINTI AHMAD, 850810-10-5332

Hereby, declare that,

- This work has not previously been accepted in substance for any degree, locally or overseas and is not being concurrently submitted for this degree or any others degrees
- This project paper is the result of my independent work and investigation, except where otherwise stated
- All verbalism extract have been distinguished by quotation marks and source of my information have been specifically acknowledged.

Signature:

Date:

LETTER OF SUBMISSION

02 NOVEMBER 2010

The Head of Program
Bachelor of Business Administration (Hons) Finance
Faculty of Business Management
Universiti Teknologi MARA
72400 Bandaraya Melaka
Melaka

Dear Madam,

SUBMISSION OF PROJECT PAPER

Attached is the project paper titled “A STUDY ON EFFECT OF OIL PRICE TO STOCK MARKET IN MIDDLE EAST COUNTRIES (BAHRAIN, KUWAIT, JORDAN, QATAR)” to fulfill the requirement as needed by the Faculty of Business Management, University Technology MARA

Thank You

Your Sincerely

.....

SAFINA BINTI AHMAD

2008361241

Bachelor of Business Administration (Hons) Finance

ABSTRACT

Oil has played a critical role to shape countries development since effect of oil prices on a country's economy has been and continuous to be keen interest from many people particularly economist. Oil is the main product in the most of Middle East countries especially in the GCC country such as Bahrain, Kuwait, Oman and Qatar. This study is focusing and elaborate more on the effect oil prices to stock market in the focusing countries namely Bahrain, Jordan, Qatar and Kuwait where this dependent countries are mostly depend on the oil. The weekly closing price of stock index in 5 years period of study from 1st January 2005 until 31st December 2009 were collected and the finding reveal that these four countries (Bahrain,Kuwait,Jordan and Qatar) statistically showing significant positive relationship between Oil Price to stock market. Furthermore the second results, shows that the current market return for each market were positively affected by the previous market return.